

Thursday March 10, 2016

Insurance Council welcomes New South Wales ride-hail CTP review

The Insurance Council of Australia (ICA) has backed plans to review the New South Wales compulsory third party (CTP) insurance scheme for point-to-point transport services.

In its submission last year to the NSW Point-to-Point Transport Taskforce, the ICA advocated the creation of a separate class of CTP insurance for ride-hailing (often known as ride-sharing) services.

A separate CTP class for ride-hail drivers in the ACT comes into force from April 1.

ICA CEO Rob Whelan said the ICA would study the six options outlined in the NSW discussion paper and make a submission after consultation with member companies.

“The discussion paper appropriately recognises that the growth in ride-sharing services has dramatically altered the landscape for point-to-point transport,” Mr Whelan said.

“To keep the NSW CTP scheme sustainable and fair for all motorists, it’s imperative that premiums paid by private and commercial drivers reflect the risk they represent in causing accidents that result in people being injured.”

“At the moment, ride-share drivers are categorised in the same CTP class as motorists who only use their vehicles for private purposes.

“In contrast, other point-to-point services, such as taxi drivers and hire car operators, pay much higher CTP premiums than private motorists due to the higher claims risk they represent.

“The ICA strongly supports the principle of competitive neutrality whereby like goods and services are treated the same. On that basis, the ICA welcomes moves to level the playing field and ensure ride-hail drivers face similar consumer and safety regulations to other point-to-point service providers.”

Mr Whelan said requiring motorists to register as ride-hail drivers would allow insurers to start collecting the data needed to measure the risk exposure they represented.

“By calculating the risk profile of this emerging market, CTP insurers can charge appropriate premiums for ride-hail drivers to ensure there are adequate funds to meet claims arising from this category of point to point transport” he said.

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